



A JOINT RESOLUTION OF THE SENATE AND THE HOUSE OF REPRESENTATIVES OF THE STATE OF MONTANA REQUESTING AN INTERIM STUDY OF PROCUREMENT PRACTICES BY THE DEPARTMENT OF PUBLIC HEALTH AND HUMAN SERVICES; AND REQUIRING THAT THE RESULTS OF THE STUDY BE REPORTED TO THE 68TH LEGISLATURE.

WHEREAS, the Montana Procurement Act has several beneficial purposes, including ensuring fair and equitable treatment of all persons who deal with the procurement system in the State of Montana, providing increased economy in state procurement activities, maximizing the purchasing value of public funds, and providing for increased public confidence in the procedures followed by the state in procuring services; and

WHEREAS, the Montana Department of Public Health and Human Services frequently deviates from and does not follow the Montana Procurement Act in procuring services from vendors; and

WHEREAS, the last two financial compliance audits conducted on the Department of Public Health and Human Services by the Legislative Auditor's Office found that the agency failed to follow the Montana Procurement Act during the 2017 and 2019 bienniums; and

WHEREAS, the audits found that the Department of Public Health and Human Services regularly failed to enter into contracts for chemical dependency evaluations, support services, one-on-one youth supervision, and urinary analyses for youth in the foster care program; and

WHEREAS, the Department of Public Health and Human Services has attempted to justify its procurement practices with several different explanations, including that the act interferes with federal procurement policies and constrains the Department of Public Health and Human Services from finding vendors in emergency situations; and

WHEREAS, the audits found that some vendors who were not required to follow the Montana Procurement Act received more than \$500,000 from the Department of Public Health and Human Services,

including one vendor who received nearly \$900,000.

NOW, THEREFORE, BE IT RESOLVED BY THE SENATE AND THE HOUSE OF REPRESENTATIVES OF THE STATE OF MONTANA:

That the Legislative Council be requested to designate an appropriate interim committee or statutory committee, pursuant to section 5-5-217, MCA, to study the procurement practices of the Department of Public Health and Human Services.

BE IT FURTHER RESOLVED, that the study:

- (1) identify the circumstances under which the Department of Public Health and Human Services deviates from the Montana Procurement Act and how frequently those circumstances occur;
- (2) identify the policies and procedures that the agency uses when determining whether it must follow the standard procurement practices or how it otherwise determines whether to seek bids or proposals for services;
- (3) review the statutes and administrative rules related to state agency procurement, including the federal laws and regulations governing public assistance programs, the procurement procedures for federally funded programs administered by the Department of Public Health and Human Services, and the state statutes and administrative rules specific to the provision of human services;
- (4) determine whether practical obstacles, including the emergency needs of clients served by the agency, affect the department's procurement procedures; and
- (5) obtain an accounting of the amount of money the department has paid to vendors who were selected outside of the standard procurement process.

BE IT FURTHER RESOLVED, that the study include input from appropriate stakeholders.

BE IT FURTHER RESOLVED, that all aspects of the study, including presentation and review requirements, be concluded prior to September 15, 2022.

BE IT FURTHER RESOLVED, that the final results of the study, including any findings, conclusions, comments, or recommendations of the appropriate committee, be reported to the 68th Legislature.

- END -

I hereby certify that the within bill,
SJ 35, originated in the Senate.

Secretary of the Senate

President of the Senate

Signed this _____ day
of _____, 2021.

Speaker of the House

Signed this _____ day
of _____, 2021.

SENATE JOINT RESOLUTION NO. 35

INTRODUCED BY C. FRIEDEL, M. BLASDEL, E. BUTTREY, G. FRAZER, S. GALLOWAY, M.

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